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COUNTRY PROFILE

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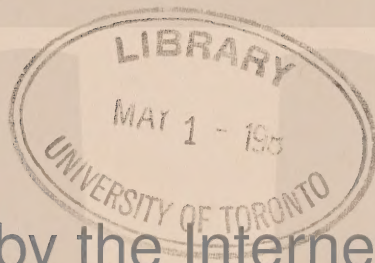
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COUNTRY PROFILE

PHILIPPINES

Canada



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COUNTRY PROFILE

Official Name	Republic of the Philippines
Capital	Manila
Topography	archipelago composed of 7,100 islands; 65% of the area is mountainous; narrow coastal plain; situated in a typhoon zone
Climate	Tropical: hot, abundant rainfall; some temperate zones near the ocean; susceptible to typhoons and earthquakes
Main crops	rice, corn, sweet potatoes, tapioca, tropical fruits and vegetables; sugar cane, coconut products; hemp, tobacco
Resources	fishing (pearls and coral), mines (copper, gold, iron, coal, manganese, chromite), hydro-electric potential
Official language	Tagalog (Filipino), English
Other languages spoken	Spanish, regional dialects
Ethnic groups	the majority of the population is of Malay or Chinese origin; other groups have some representation - Spanish, Indian, Japanese, Arab, and indigenous groups, particularly in remote regions.
Religions	Catholic (83%); Protestant (9%); Islam (5%); other (3%).
Date of Independence	1946

COMPARATIVE DATA

	<u>Philippines</u>	<u>Canada</u>
Area	300,000 km ²	9,976,000 km ²
Population (1984)	53.4 million	25.1 million
Population density	170 persons/km ²	2.5 persons/km ²
Urbanization (1984)	39 %	75 %
Rate of increase in population (1973-84)	2.7 %	1.2 %
Life expectancy at birth (1984)	63 years	76 years
Infant mortality (1984)	49/1,000 live births	9/1,000
Average daily per capita calorie consumption as % of requirement	104 %	130 %
Adult literacy	90 %	99 %
Primary school enrolment as % of age group (1983)		
total	114 %	103 %
boys	115 %	105 %
girls	113 %	102 %
Labor force participation:		
agriculture	52 %	5 %
industry	16 %	29 %
services	33 %	65 %
% of population under 15	40.3 %	23.2 %

GNP per capita (1984)	US\$ 660*	US\$ 13,280
Average annual growth of GNP (1965-1984)	2.6 %	2.4 %
Average annual inflation rate (1973-1984)	12.9 %	9.2 %
External public debt as % of GNP (1984)	34.7 %	1.35 %
Debt service as % of GNP (1984)	3.5 %	4.96 %
Current account balance (\$US) - 1,241 million		1,974 million
Principal exports	semi-conductors, electronic microcircuits, cocoa oil, copper, sugar and bananas	
Principal imports	motor fuel and oils, machines, cereals and food products	
Exports to Canada	food (fruit, nuts, coffee), fish and other marine animals, textile fibres, metal scrap, clothes and accessories, household products, semi-conductors, electronic microcircuits	
Imports from Canada	cereals, dairy products, minerals and iron concentrates, charcoal, brimstone, wood pulp, newsprint, zinc (including alloys), fertilizer and fertilizer products, telecommunications material and equipment	
Principal trading partners:	United States, Japan, United Kingdom	

* a drop from 1983; currently at \$550 per capita (1986 estimate)

Source: World Development Report, 1986, World Bank.

COUNTRY PROGRAM

The Need for Assistance

After years of being involved in small development projects in the Philippines, Canada decided in September 1986 to increase its development assistance to that country substantially. The Canadian government accorded Category I status to the Philippines, making it eligible for higher levels of long-term official assistance, provided through the Canadian International Development Agency (CIDA). The move was made in response to the new Philippine government's demonstrated commitment to constructive economic and social reform.

Although the Philippines is well-endowed with natural resources, has a large, young, literate and highly-skilled population, and possesses soils suitable for a wide range of crops, the country has not reached its economic potential. A disappointing economic performance in recent years has created serious problems: after two years of absolute decline in growth rates, the economy remains sluggish. Moreover, the present government has inherited a foreign debt of U.S. \$26 billion, which carries an annual debt service payment of over half the country's annual foreign exchange earnings.

A cornerstone of the Philippine economic recovery program and a major objective of Canadian assistance is to improve the standard of living of the poor. Well over half the 56 million (1986 est.) Filipinos today live below the poverty line. Per capita income (currently about U.S. \$550) has been shrinking for the past three years, and income distribution is highly uneven. According to a 1983 study, five per cent of the population received 88 per cent of all income. The unemployment rate stands at about 25 per cent, and industrial capacity is less than 50 per cent.

The new Philippine government is pinning its hopes for economic recovery on a revitalization of the agricultural sector and enhanced development of rural areas, where two-thirds of the population live. Industry is expected to respond to the rural stimulus with labor-intensive agro-based manufactures which not only fill domestic demand but are also export-oriented and contribute to broader growth.

In achieving economic recovery through an employment-oriented, rural-based development strategy, the government hopes to alleviate poverty, generate employment and distribute income and wealth equitably. In keeping with those goals, the intention of the Canadian development assistance program is to help the Philippine government achieve economic recovery and stability in the short term, and sustained equitably distributed growth in the long term.

Previous Canadian Assistance

The presence of Canadians in the Philippines dates back some decades to the early work of religious groups and voluntary agencies. Such Canadian non-governmental organizations (NGOs) and missionary groups are still working there, cooperating with Philippine NGOs in community development projects all over the country (see Special Programs).

The Canadian government began playing a role in overseas assistance after the Commonwealth Ministers' Conference in 1950, which gave birth to the Colombo Plan, an effort to help the newly-independent countries of southern Asia to put down the economic and social roots needed to ensure their survival. In those early years of official Canadian assistance, Canada did not sponsor any major bilateral projects in the Philippines, but provided Filipinos with Colombo Plan scholarships either in Canadian or regional educational institutions.

In 1974, CIDA sponsored a Cagayan Valley Cooperative Development Program to develop primary and secondary farmers' cooperatives, agricultural processing facilities and marketing facilities, and to provide cooperative training. It was Canada's first major bilateral project in the Philippines and involved disbursements of \$3.9 million over five years. A second phase which lasted until 1985 was funded by a \$500,000 grant and provided further technical assistance.

Another project, begun in 1981, was designed to assist small-scale fishermen. The project has now entered a second phase and is described in the section on bilateral assistance. Finally, assistance was also provided to small community projects using the mission-administered funds (MAF) of the Canadian embassy (see Bilateral Assistance).

The Country Program

CIDA's objectives for its development assistance program in the Philippines are related to the immediate economic needs of the country, as well as its more far-reaching development plans. Current projects that are helping to address short-term needs are described below. The specifics of a longer-term, comprehensive country program strategy will be determined following two years of increased activity in the country and in consultation with the Government of the Philippines and Canadian groups involved in the field. There are many areas of potential involvement where Canadian skills and resources may play a role.

The strategy will respond to the desire of Canadians and Filipinos to work together in ways of their own choosing and design. The Philippine government has emphasized its aim to decentralize the development process into the various provinces and regions, and to interact with the NGOs in community development activities. Therefore, CIDA planning will ensure a complementarity between the design of government-to-government projects on the one hand, and support of NGO and also private sector initiatives emanating from both the Philippines and Canada on the other. Such an approach will strengthen institutional linkages between the public and private sectors at the national and local levels.

A key concern in Canadian planning will be the important contribution made by Filipino women to economic and social development; their levels of education and participation in the labor force are higher than in other Southeast Asian countries. In assisting the Philippine government with its attack on poverty, especially in rural areas, CIDA will support projects that have the greatest impact on improving the lot of women, in

such areas as education, health, income generation and availability of credit.

Assistance Channels

In the 1980s, Canadian aid reaches developing countries, including the Philippines, through many channels. As well as administering bilateral (government-to-government) assistance, CIDA supports Canadian and international NGOs and institutions through its Special Programs Branch, and assists the Canadian private sector to become involved in industrial development in the Third World through its Industrial Cooperation program. Further, CIDA oversees the provision of Canadian financial investments, advances and contributions through multilateral institutions like development banks and United Nations agencies. In addition, the Ottawa-based International Development Research Centre has a large program to support scientific and technological research in the Philippines. Petro-Canada International Assistance Corporation has been involved in assisting in oil exploration. Further details on all of these channels of assistance are provided below.

BILATERAL ASSISTANCE

As noted earlier, CIDA's bilateral development assistance to the Philippines has been minimal in the past. For the six-year period from 1980-81 to 1985-86, bilateral disbursements totalled \$3.6 million. This total includes disbursements for the Cagayan Valley project and the fisheries project, as well as annual allowances of \$250,000 for MAF and \$500,000 in initial funding for the Philippine Development Assistance Program (see Community Development). At this time, more assistance was directed through NGO channels as the quickest way to meet the urgent needs of the poorest sections of the population (see Special Programs).

Thus at the beginning of 1986, the bilateral program was not very large; however, following the elevation of the Philippines to Category I status, substantial funding for current projects as well as a number of new ones was announced.

Balance-of-Payments Support

Canada is providing the Philippines with \$10 million worth of potash fertilizer to help agricultural development and support the country's balance of payments. The Philippines has long been a purchaser of Canadian potash, but economic difficulties in recent years have placed constraints on the country's ability to import such essential inputs. The \$10 million will buy and cover transportation costs for about 85,000 tonnes of muriate of potash, to be supplied over the next two to three years.

Another part of Canada's effort to assist the Philippines with its balance-of-payments difficulties is an agreement with the Philippine

government that provides for rescheduling of payments on a \$3.9 million loan that Canada extended in 1974 for the Cagayan Valley project. In conjunction with other donors at the Paris Club, Canada agreed to reschedule payments that fell due between 1984 and 1986.

Agriculture and Rural Development

In response to a growing economic and social crisis in the sugar-producing province of Negros Occidental, Canada has established the four-year \$11 million Negros Rehabilitation and Development Fund (NRDF) to assist over 200,000 sugar workers and their families who are suffering from malnutrition and starvation. Plummeting prices in the international sugar market have caused planters to cut back production, lay off workers and even abandon their land. The sugar workers, who have always been poor, can no longer depend on the planters for support. They have little access to land, capital, or education, and lack basic agricultural skills (except those related to sugar).

The fund will be used to assist four types of activities. First, assistance will be provided for agricultural diversification, to break the province's dependence on one crop, to boost the production of food and cash crops other than sugar, and to support broad-based agricultural endeavors. Secondly, support will be given to agro-forestry projects. Reforestation is a priority because the present forest cover is only seven per cent in Negros, whereas it should be 30 per cent for proper environmental protection. The production of selected agricultural crops and training in crop technology and environmental protection will be combined with the reforestation efforts. Thirdly, income-generating activities such as cottage industries that provide some livelihood to the poor and landless will also be encouraged. Finally, organized groups who own agri-processing industries will receive support. Community development activities that complement the four types of projects may also benefit from NRDF resources.

The main advantages of the fund are that it is fast-disbursing and responds to local development initiatives, as well as being guided by recommendations from local development experts.

Eligible applicants for NRDF assistance include NGOs, non-governmental institutions, cooperatives, unions and schools registered with the Philippine government, as well as provincial government offices and agencies of Negros.

Community Development

A partnership of Philippine and Canadian NGOs is receiving \$4.88 million over the next four years in support for work among the poor and disadvantaged groups in rural and urban areas. The Philippine Development Assistance Program, (PDAP), as it is called, is coordinated by Philippine and Canadian committees of NGOs. In the Philippines, the committee is made up of five associations which in turn represent more than 200 NGOs and private institutions. The Canadian committee is

comprised of seven NGOs so far. Efforts are being made to encourage more Canadian and Philippine groups to participate. The goal is to provide a network which will allow organized groups of poor Filipinos to link with Canadian NGOs to provide the opportunities and means to develop their social and economic self-reliance, as well as to build and sustain community awareness and values. Tenant farmers, squatters, landless rural workers, fishermen, urban poor, and cultural minorities are among the people who will benefit from the program.

Canada is also assisting UNICEF in its Community Assistance Program with a \$5 million contribution over 1986-88. The program includes the following:

- the Negros Integrated Area Development Program, which provides supplementary feeding, home food production, primary health care, nutrition, education, water and sanitation, community organization, social mobilization and support to basic services in urban areas;
- the Integrated Primary Health Care project in Central and Western Mindanao, which provides child health services, food and nutrition, water and sanitation and advocacy for child survival;
- the Early Childhood Enrichment program, which provides training of day-care workers, improvement in home-based early child care, production and dissemination of educational materials and manuals.

The Canadian contribution, which is untied, will support the procurement of equipment, supplies, services and salaries associated with the UNICEF project. Other donors to this project include the Government of the Philippines, various NGOs, and UNICEF itself.

Health

The Philippine government has emphasized the need to extend primary health care to the people as part of its wider program of basic social services. Preventive health measures such as the provision of potable water and sanitation facilities, immunization, and health and nutrition education are given priority. In keeping with this approach, Canada has committed \$5 million in assistance to the Philippine Immunization Program. The Canadian grant is being used to purchase vaccines for such childhood diseases as measles, polio and diphtheria, and will assist the Philippine government to meet its goal of universal child immunization by 1990.

Fisheries

Small-scale fishermen, who number about one million, provide more than half of the total fish catch of the Philippines. Their household incomes, however, are still below the poverty threshold, their families are affected by malnutrition, and they are among those with least access to education.

In 1981, CIDA undertook a \$900,000 project to assist in the improvement of the income and well-being of such fishermen through the introduction of new fishing techniques and infrastructure, and the training of fishermen in fisheries and cooperative activities. Components of the project included the provision of ice-making equipment, vehicles, a

demonstration fishing vessel, fish ponds, and buildings in Bayawan and Dumaguete, as well as training and support for the establishment of the Bayawan Fishermen's Marketing Cooperative Incorporated (BFMCI). An extension of the project involved training in fish processing for the BFMCI Wives Auxiliary, who had undertaken to prepare fish products to generate additional income.

Mission-Administered Funds

Canadian embassies and high commissions in developing countries respond to requests from local community groups in need of funds for small community projects. In the case of the Philippines, the annual allowance for such projects in 1985-86 was \$350,000, which was used for 32 projects. The largest proportion of the fund was used in the agriculture sector (33 per cent), followed by health and nutrition (25 per cent), and human resource development (12 per cent). The balance went to the sectors of population and human settlements, fisheries, industry, economic support, education and water supply.

As the Canadian embassy became aware of the worsening situation in Negros in 1984, it supported projects in that province aimed at helping the sugar workers. One innovative project known as the PLOW program established a model for voluntary legal transfer of land from the planters to the sugar workers, who then planted food and cash crops other than sugar. MAF funding was also used to assist UNICEF in its Emergency Action Program for the Children of Negros.

Regional Programs

In addition to the direct bilateral assistance CIDA provides to various countries, bilateral funding is extended to regional institutions that in turn fund projects of benefit to the region. At the forefront of Canada's support of regional initiatives in the area is the Economic Cooperation Agreement between Canada and the Association of Southeast Asian Nations (ASEAN). The agreement envisages a broad range of trade, investment and developmental activities taking place between Canada and the ASEAN countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei-Darussalam).

CIDA bears the primary responsibility to facilitate development cooperation activities under the agreement, and Canada/ASEAN regional projects generally fall within the following priority areas: environment and natural resources management, particularly forestry and fisheries; transfer of technology; and human resource development. CIDA has committed a total of \$16.4 million for Canada/ASEAN regional projects, of which about \$4.25 million is expected to be disbursed in the 1986-87 fiscal year. The following are brief descriptions of some of the projects, all of which have been of benefit to Filipinos along with nationals from other ASEAN countries.

ASEAN/Canada Forest Tree Seed Centre - The aim is to assist in the development of a fully operational Tree Seed Centre in Thailand, with an active program of services and research to assist member countries in their reforestation programs. The project began in 1981, and Canada has

contributed \$2.4 million for training, provision of experts, and equipment.

ASEAN Forest Management Institute - Canada is contributing \$8.2 million to assist in the establishment of this Institute in Malaysia. It will provide the ASEAN member countries with access to expertise in inventory, planning and management, harvesting, and reforestation of natural tropical forests. Work began on the project in 1984.

Post-Harvest Fisheries Technology - Canada is providing equipment, expertise and training as part of this effort, centred in the Philippines, to help ASEAN countries maximize use and minimize wastage of available fish resources, thereby increasing the supply of protein. Canada has contributed \$2.5 million to the project, which began in 1980.

ASEAN Crops Post-Harvest Program - Begun in 1984, this project, also centred in the Philippines, aims to identify constraints and problems affecting post-harvest systems and causes of post-harvest losses in the region. Canada is contributing \$500,000 jointly with the IDRC and other donors for technical assistance in research and development, training, information, and pilot projects all intended to develop solutions to post-harvest problems.

ASEAN Cooperative Program on Development and Management of Living Marine Resources - The purpose is to optimize the management and development of living marine resources within the jurisdiction of ASEAN countries, in order to increase food production, provide environmental protection, and permit socio-economic development. Canada is contributing \$960,000 to the project which began in 1985.

Canada/ASEAN Energy Seminars - With the help of a \$972,000 Canadian contribution, ASEAN member countries will be introduced to Canadian experiences in energy management, in order to facilitate the transfer of Canadian technology in the areas of management, distribution, and development of energy resources; energy conservation; and the use of coal and natural gas in electrical power generation. The first seminar/study tour took place in September 1986.

ASEAN Mission-Administered Fund - CIDA has established an ASEAN MAF that is presently administered by the Canadian embassy in Bangkok, as a part of the CANADA/ASEAN development cooperation program. The purpose of the MAF is to provide financial support for small innovative development projects aimed at fostering regional cooperation at both the official and people-to-people levels in the six countries of the ASEAN region. The 1986-87 allocation for ASEAN MAF is \$250,000.

Aside from the activities that have been undertaken under the Canada/ASEAN agreement, there are projects with other regional institutions which are of benefit to the countries of Southeast Asia:

AIT Human Settlements Program - Canada contributed \$2.23 million in 1979 to help with the expansion of the human settlements program at the Asian Institute of Technology (AIT).

AIT Energy, Agriculture and Human Settlements Development - Another project at AIT began in 1983 with a Canadian contribution of \$4 million, and involves training in agriculture, food processing, water resources engineering, energy technology and human settlements development, with special emphasis on meeting the needs of the poorer segments of both rural and urban populations, including rural migrants on the fringes of metropolitan areas.

SEAMO Human Resource Development - Canada is providing \$9 million to the Southeast Asian Ministers of Education Organization (SEAMO) to encourage regional cooperation between ASEAN countries in community-based human resource development activities. It is also aimed at facilitating cooperation between SEAMO institutions and Canadian universities and colleges, and strengthening capabilities of SEAMO institutions to provide training relevant to the basic needs of the poor.

Ryerson/AIBD Development Broadcasting - Canada is providing \$4.8 million to enhance the ability of the broadcasting media in eligible Asia-Pacific countries to sensitize the population towards a greater understanding of development issues concerning: the role of women in development, human settlements and organization and environmental considerations in economic development. The project will also attempt to support the efforts of local communities to participate in potential development opportunities in these areas. Ryerson Polytechnical Institute and the Asia-Pacific Institute for Broadcasting Development will be the cooperating partners.

Harvard/AIM WID Seminar - Canada supported the Asian Institute of Management's Women in Development seminar, which was given by Harvard University on October 1986 in Manila. WID components are now being incorporated into AIM programs and AIM is currently developing a WID course for use in the region.

SPECIAL PROGRAMS

CIDA's Special Programs Branch contributes to development cooperation projects initiated by voluntary organizations and non-profit institutions with counterparts in developing countries. CIDA's collaboration began in 1968 specifically with NGOs, and has since expanded to include diverse activities sponsored by many different types of groups. The Branch provides funds which match or enhance contributions in cash or in kind by the participants in Canada and the developing country, so that the value of a project is often much greater than the CIDA funding amount suggests. Details of the types of organizations and projects receiving CIDA funding are provided in the following descriptions of Special Programs' various channels of assistance.

NGO Program

Canadian NGOs - religious groups, development agencies, service groups, women's organizations, and youth associations - have established a

reputation for effective low-cost development projects which respond quickly to "grass-roots" needs and promote self-reliance.

Since CIDA began its program to assist NGOs in 1968, it has contributed \$ 6.8 million to NGO activities in the Philippines, \$5.5 million of which was contributed over the last five years. As of the end of the 1985-86 fiscal year, about 200 projects (including the over 100 administered by Foster Parents Plan alone) and sub-projects involving 24 organizations were under way, for which CIDA had made commitments totalling \$2.8 million. Of the total commitment, \$1.5 million was disbursed in 1985-86.

Projects do not often fall easily into sectors, with most being categorized as community development projects involving food production, health care, education, water supply and sanitation, resource and skills development, and small-scale income-generating endeavors.

The Foster Parents Plan of Canada has a large program in the Philippines that addresses the needs of the poor. Total expenditures in the 1986 fiscal year were \$3.3 million for over 100 projects throughout the country, to which CIDA contributed close to \$0.5 million. Their main target is children, who are most vulnerable to the effects of poverty, but their approach is through the provision of family and community-based services.

Another NGO with a large program in the Philippines is Emmanuel Relief and Rehabilitation International, which sends teams of Canadian volunteers to work with local NGO teams in rural community development. They identify specific local needs and undertake programs that can be replicated in neighboring areas.

The Canadian UNICEF Committee is working in depressed and under-served urban and rural areas of Mindanao where 50 per cent of the children suffer from malnutrition. They are providing nutritious meals for school children, and promoting nutrition and health education in the schools and school and home gardening.

Other NGOs with programs in the Philippines include the Wycliffe Bible Translators, who are involved in literacy training, health and community development; the Rotary Club of Guelph, who have over 40 mainly water and sanitation, health care, and vocational training projects in the country; and the World Relief Committee of Canada, who have a large integrated community development project in B'Laan. The Christian Reform World Relief Committee, the Inter-Church Fund for International Development, the Salvation Army, the Anglican Church of Canada, and the Canadian Red Cross Society are among the many other NGOs with Philippine projects.

Institutional Cooperation and Development Services (ICDS) Program

Through this channel, which was created in 1980, CIDA supports joint ventures by institutions like universities, colleges, unions, cooperatives, and professional associations, as well as providing funding for volunteer-sending agencies.

One of these organizations, Canadian Executive Service Overseas (CESO), mobilizes the experience and knowledge of retired executives and experts in various fields. In 1986, CESO sent experts to assist in the design of a solar heating system, the evaluation of a farm irrigation system, and the manufacture and maintenance of mining tools and equipment.

International Non-Governmental Organizations (INGO) Program

Through INGO, CIDA offers support to organizations with programs which span many countries. Some of these, like the International Planned Parenthood Federation (IPPF), or the YM and YWCA, may in turn provide support to member organizations for their national activities. In 1985-86, CIDA funding of INGOs totalled \$16 million.

In recent years, CIDA has supported the Foundation for International Training (FIT), which undertook two projects that particularly benefitted the Philippines: a micro-enterprise development project and a project to train NGOs in community activities. Also the Asian Cultural Forum for Development (ACFOD) received assistance for an exchange of fishermen between Malaysia and the Philippines and Approtech Asia received assistance towards their women in development programming. In addition, numerous other INGOs received funding for projects that benefitted Filipinos who participated along with participants from other countries. Examples include the International Union for the Conservation of Renewable and Natural Resources and the International Council on Management of Population Programs.

Management for Change (MFC) Program

The purpose of this small program is to stimulate and support innovative ways of strengthening the management capabilities of developing countries, especially in adapting to their changing needs and environment. Acting as a catalyst through short-term activities, it brings together key executives to share experiences and explore new approaches to management questions. It supports regional (i.e., multi-country) rather than national initiatives and also seeks to improve the management capacity of groups (women, NGO and rural development managers) who often do not benefit from established training programs. In 1985-86, CIDA spent \$2.1 million on MFC projects.

In recent years, the MFC program has supported endeavors by the Asian Institute of Management that benefitted Filipinos. They included case studies and a workshop for women business managers in ASEAN countries, a workshop for deans of management schools, and a rural development management course.

Food Aid

Through a joint venture program with 14 Canadian NGOs (including Hope International Development Agency, formerly Food for the Hungry, World Concern, the Salvation Army, and the Co-Workers of Mother Theresa), CIDA provides funds for shipment of skim milk powder and other foods to developing countries. Through this program, the Philippines received

221 metric tonnes of skim milk powder with a total value of \$255,088 over the 1981-86 period.

INDUSTRIAL COOPERATION

CIDA's Industrial Cooperation (INC) program was created in 1978 to assist the Canadian private sector in its efforts to become involved in the industrial development of Third World countries. Through commercial mechanisms like joint ventures, licencing agreements or other long-term forms of collaboration, mutually beneficial projects involving such activities as technology transfer, job creation, and skills development receive assistance from CIDA. Canadian firms receive funding for starter studies and more in-depth viability studies of joint venture opportunities, and under the Canadian Project Preparation Facility (CPPF), engineering consultants and equipment suppliers receive assistance for pre-feasibility or project definition studies when preparing for participation in capital projects. Funding is also available for training, seminars and other business-related activities.

Between 1979 and 1983, the INC program supported 32 projects in the Philippines. Of particular note was a viability study by B.C. Packers which led to a joint venture in fishing and fish processing, employing 800 in Zamboanga City. Between mid-1983 and mid-1986, there were no new activities in the Philippines, however, due to the economic and social crisis that took hold of the country.

Applications for INC support began to flow again in 1986. Two companies have made joint venture proposals, and there have been seven CPPF applications: two in forestry, two in transportation, and one each in the mining, telecommunications, and agro-industry sectors. Two of the CPPF applications have been approved and are under way.

First, Agrodev of Ottawa is conducting a prefeasibility study of an integrated prawn aquaculture facility for the Prawn Producers Marketing Cooperative of Negros Occidental. The project's implementation is expected to ensure the autonomy and to promote the commercial success of the Cooperative's operations through the commercial production and marketing of black tiger prawns. Second, Monenco Consultants of Calgary have INC support for a prefeasibility study of coal specifications for the Calacca II Thermal Power Plant. It is the intention of the government-owned Semirara Coal Corporation to ensure that close to 100 per cent of Calacca II fuel requirements will be supplied from Semirara.

Another aspect of INC activities involves support of visits to Third World countries of business people interested in industrial cooperation. In late 1986, eight members of the Canadian Young Presidents' Corporation (YPO) visited the Philippines with INC support. (The YPO is an association of people who have become company presidents before age forty) Their program has been arranged by the Philippine YPO, including many government and business leaders. The mission examined innovative ways to enhance commercial relations between the two countries.

Finally, on a more regional note, Technonet Asia, based in Singapore, has seven of 16 Participating Organizations in the ASEAN countries. The

Secretariat is headed by a Filipino, and of the seven Participating Organizations in ASEAN, two are located in the Philippines. Technonet Asia has received financial contributions from INC since 1980, and has a capacity to assist small and medium Canadian manufacturing enterprises interested in transferring their technology to Asia.

MULTILATERAL ASSISTANCE

Multilateral assistance involves the pooling of resources by donor countries which are members of international organizations like the World Bank, the regional development banks, the various agencies of the United Nations and so on. These organizations then use the resources in support of development projects in Third World countries. Multilateral assistance from all sources comprises almost 50 per cent of total net official development assistance to the Philippines.

The principal multilateral institutions which are active in the Philippines and which Canada supports are the Asian Development Bank (ADB) and its special loan fund, the Asian Development Fund (ADF), the World Bank affiliate known as the International Bank for Reconstruction and Development (IBRD), UN agencies, and the International Fund for Agricultural Development (IFAD).

Asian Development Bank (ADB)

Canada is a founding member of the ADB and is its sixth largest shareholder. Since 1983, Canada's annual capital subscriptions to the ADB have been \$6.3 million and advances to the ADF have been \$85.6 million a year.

From the beginning of its lending program in 1969 until September 1986, the ADB has made 69 loans to the Philippines totalling U.S. \$2.08 billion from its ordinary capital resources (OCR), and nine loans totalling U.S. \$129 million through the ADF. There have also been 76 technical assistance projects costing a total of U.S. \$16.5 million. Agriculture and agro-industrial projects have been given priority, receiving about 33 per cent of the total cumulative lending. Energy projects have benefitted from 27 per cent of loan funding for the Philippines.

Of the total OCR lending, U.S. \$964.2 million was for loans approved in the five-year period from 1981 to 1985 inclusive. An additional U.S. \$50 million in OCR and U.S. \$50 million from the ADF were approved in 1986 for special project implementation assistance.

International Bank for Reconstruction and Development (IBRD)

Canada is also a founding member of the IBRD and is its ninth largest shareholder. In the four years from 1982-83 to 1985-86, Canada's annual investments in the IBRD have averaged \$34.3 million.

For the five year period from 1982 to 1986 inclusive, the IBRD approved loans to the Philippines totalling U.S. \$1.5 billion. The majority of

the loans during the period were for projects in the agriculture and rural development sector (27 per cent), including irrigation and drainage, support for agricultural production and economic stabilization in the sector, rural credit, and small-scale fisheries. The largest single loan was to help with structural adjustment: U.S. \$302.3 million in financing for essential imports (making up 20 per cent of the lending for the period). Other lending was for the modernization of textile factories, highway upgrading, support for small-scale enterprises, water supply and sanitation, urban development in regional cities, and education.

United Nations Development Programme (UNDP)

The largest organization in the UN development system is the UNDP; in fact, it is the world's largest technical assistance organization. Canada's contributions to the UNDP's regular worldwide programs have averaged \$56 million a year for the five years from 1981-82 to 1985-86.

During the 1986-90 UNDP planning cycle, UNDP spending in the Philippines is expected to reach U.S. \$23.3 million. In keeping with the long-term agro-industrial development strategy of the Philippine government, the UNDP intends to devote about 60 per cent of that planning figure to the agricultural and industrial sectors, with an important emphasis being placed on agro-industrial projects. Other important areas of concentration are energy conservation and development, and improved development planning and management at the national and sub-national levels.

UNICEF and UNFPA

Other UN agencies for which Canada provides regular program funding and which are active in the Philippines are the UN Children's Fund (UNICEF) and the UN Fund for Population Activities (UNFPA). Canada's annual contributions to UNICEF's and UNFPA's global programs have averaged \$12.8 million and \$9.8 million respectively from 1981-82 to 1985-86.

UNICEF's allocation for its 1987 program in the Philippines is U.S. \$3.5 million. The emphasis in recent years has been on child health (immunization, training of traditional birth attendants, and promotion of breast-feeding), water supply and sanitation (construction of handpump wells, facilities for schools, and training of rural water association workers), child nutrition (training of community nutrition workers), and early childhood education (a major program among disadvantaged pre-schoolers).

UNFPA allocated U.S. \$2.4 million for its activities in the Philippines in 1985. The Philippine project in population education has become a regional model, so currently UNFPA is extending it to provide training for other Asian countries.

In addition, UNFPA is providing nutrition, health and family planning services for the urban poor, and integrating population concerns into development planning.

Humanitarian Assistance

Apart from the regular contributions Canada makes to help meet the operating costs of various agencies involved in humanitarian assistance, e.g. the UN High Commissioner for Refugees, the UN Relief and Works Agency, and the International Committee of the Red Cross (ICRC), additional funds are granted in direct response to emergency situations caused by natural and man-made disasters, civil strife, and to alleviate the hardship of refugees.

Canadian direct contributions for humanitarian assistance to the Philippines in recent years have been for the victims of internal conflict - \$600,000 through the ICRC in 1984 and 1985; for the victims of typhoons - \$110,000 through the League of Red Cross Societies and \$50,000 through UNICEF in 1984; and for an emergency feeding program for children on the island of Negros - \$300,000 through UNICEF in 1986.

International Fund for Agricultural Development (IFAD)

IFAD is another multilateral institution that is involved in the Philippines. The primary aims of its global programs are higher food production, reduced malnutrition and lower levels of rural poverty. Canada has issued notes totalling \$42 million to IFAD over the 1981-82 to 1985-86 period. Since it began lending in 1978, IFAD has approved three loans for the Philippines: U.S. \$10 million in 1978 for the Magat River irrigation project, 7.1 million SDRs (U.S. \$7.5 million) in 1981 for smallholder livestock development, and 10.8 million SDRs (U.S. \$11.3 million) in 1982 for communal irrigation projects.

OTHER CANADIAN ASSISTANCE

International Development Research Centre (IDRC)

IDRC is a public corporation created by the Parliament of Canada in 1970 to stimulate and support scientific and technological research by developing countries for their own benefit. Although it is funded entirely by the Canadian government, its operations are guided by an international Board of Governors, who are experienced in international development. In 1985-86, IDRC was allocated \$86 million for its programs.

As of the end of the 1985-86 fiscal year, IDRC had supported 172 projects in the Philippines (80 active and 92 completed) with a total budget of \$29.5 million. The majority were in agriculture, food and nutrition sciences (59) and social sciences (59), followed by health sciences (21).

The program in the Philippines is characterized by support for international research centres, local research institutes and universities, and NGOs. For example, IDRC is supporting a number of projects undertaken by the International Rice Research Institute, which is located in Los Banos. They include research on food legumes, cropping systems, rice farming systems, storage techniques, and training of scientific editors and publishers. Another important international

research institute is the Southeast Asia Fisheries Development Centre, located in Manila, which has succeeded, with IDRC support, in the breeding in captivity of milkfish, an important source of protein for the local population.

Local institutions that have received support include the University of the Philippines, which is examining alternate foods, cold storage techniques, bamboo tissue culture, malnutrition, the status of the aged, the environmental impact of resource exploitation in North Mindanao, and export crops; and the Visayas State College of Agriculture, which is studying root crop storage and processing, livestock feeding systems, and sweet potato breeding.

Finally, IDRC is working with a local NGO called Philippine Business for Social Progress to install low-cost locally manufactured handpumps in villages, and to train villagers in their maintenance. Another NGO receiving support is the Institute of Philippine Culture, which is examining the impact of economic changes on women's participation in agriculture and other employment.

Petro-Canada International Assistance Corporation (PCIAC)

PCIAC is cooperating with the Philippines National Oil Company (PNOC) and the Bureau of Energy and Development to explore the country's energy reserves. The cooperation began with a two-year project from 1983 to 1985 involving an \$8.2 million PCIAC grant for oil exploration activities, including drilling management support, detailed evaluation of an offshore oil discovery, review and interpretation of existing and new seismic data, geochemical analysis, and technical assistance and training programs related to petroleum geology, geophysics, reservoir engineering and drilling technology.

A second phase involving a further \$3.7 in PCIAC funding began in 1985, and includes an offshore seismic survey, provision and installation of computer software to expand the use of the PNOC computer system, and further technical assistance.

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